

The Economic Value of Investment  
in Freight Transportation:  
*Missouri Highways*





## Economic Impact Summary

# Missouri Highway Freight Industry

The Missouri highway system is the longest state road system in the Mid-West spanning 32,800 miles and crossing over 10,224 bridges.<sup>1</sup> The highway freight industry that relies on this system currently employs 50,963 workers; 50,479 in general, specialized, and intercity freight trucking positions and 484 in road transportation support activities. Freight transportation arrangement and Packing & Crating businesses employ another 3,360 workers and are associated with a variety of modes. The freight trucking industry exceeds statewide average annual wages with positions earning \$39,900 annually. Average wages for road transportation support activities are more than \$29,000.<sup>2</sup>

The highway freight industry employment impacts Missouri's economy; generating an estimated \$248 million annually in new net Missouri general revenues, \$3.5 billion in personal income, \$5.9 billion in Gross State Product (GSP), and \$10.5 billion in total economic output. The 50,963 direct workers generate an estimated 39,757 indirect and induced spin-off jobs annually in Missouri through purchases of industry intermediate inputs and employee consumer spending.<sup>3</sup>

### Annual Highway Freight Employment Impact

NET GENERAL REVENUE	\$0.248 billion
PERSONAL INCOME	\$3.541 billion
VALUE-ADDED / GSP	\$5.930 billion
ECONOMIC OUTPUT	\$10.544 billion

More than 418.1 million tons of freight is attributed to Missouri truck cargo annually representing more than \$377.3 billion in value. Missouri exports approximately 115.7 million tons of commodities by truck with an estimated value of more than \$113.8 billion. Top Missouri truck exports by value include Mixed Freight, Machinery, Miscellaneous Manufacturing Products, and Pharmaceuticals. Top Missouri truck exports by ton include Cereal Grains, Food Products, Gravel, and Non-Metallic Mineral Products. Imports account for 95.4 million tons of cargo with an estimated value of \$157.9 billion. Top Missouri truck imports by dollars valued include Machinery, Mixed Freight, Motorized Vehicles, and Electronics. Top Missouri truck imports by tons include Cereal Grains, Non-Metallic Mineral Products, Unclassified Materials, and Gravel.<sup>4</sup>

Missouri industries that export by truck produce substantial value. In total, the \$113.8 billion in exports annually generate \$4 billion in net Missouri general revenue, \$58 billion in personal income, \$95 billion in GSP, and \$198 billion in total economic output. Exports from these businesses supply over 1.5 million direct, indirect, and induced jobs within the state paying an average wage of nearly \$34,600.<sup>5</sup>



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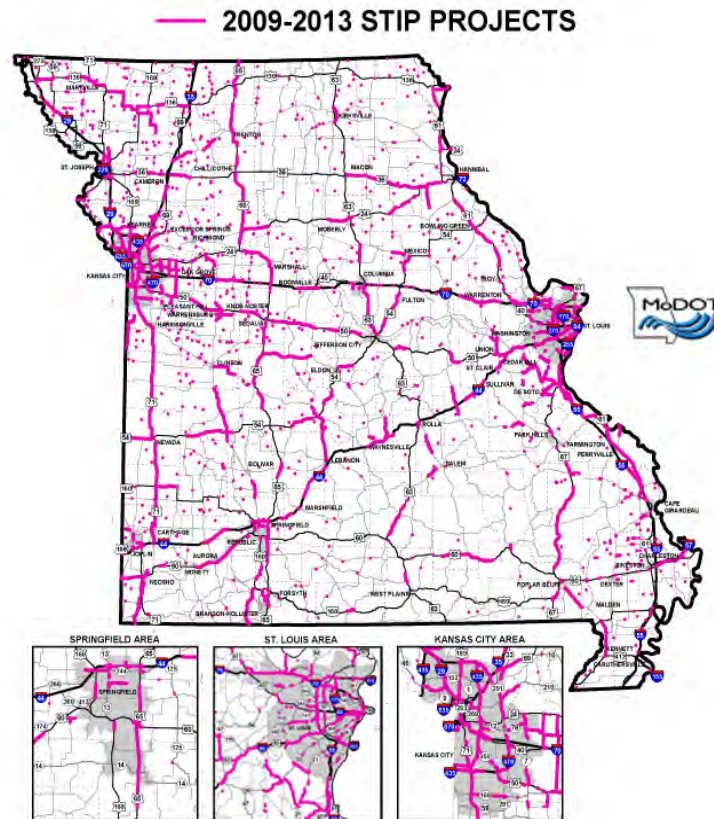
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## Economic Impact Summary

# Missouri STIP Investments and the Trucking Industry

Missouri's Statewide Transportation Improvement Plan (STIP) invests over \$4 billion dollars in more than 720 transportation infrastructure projects across the state between the fiscal years of 2009 and 2013.<sup>1</sup> The resulting transportation cost savings to the trucking industry, due to improved roads, is passed on to Missouri businesses as a production cost savings of 0.28% per year from 2014 to 2028.<sup>2</sup>



IMPACT OF TRUCKING INDUSTRY FROM STIP INVESTMENT		
	Benefit Ratio	15-Year Sum
PERSONAL INCOME	0.98 : 1.00	\$4.000 billion
VALUE-ADDED / GSP	2.07 : 1.00	\$8.500 billion
ECONOMIC OUTPUT	3.52 : 1.00	\$14.400 billion

The benefits produced from reducing fuel, maintenance, and employment costs in the trucking industry represent a large portion of the total STIP impact: 73% of the state general revenue, 63% of the personal income, 71% of the gross state product, and 72% of the economic output.

These savings help make Missouri businesses more competitive and have a strong impact on the economy. Considering only the benefits generated by the cost savings to the trucking industry, every dollar invested in the STIP projects returns 98 cents or \$4 billion in new personal income to Missourians, \$2.07 or \$8.5 billion in new gross state product, and \$3.52 or \$14.4 billion in new total economic output. The transportation savings also creates 7,364 jobs at average wages of \$29,280 and generates over \$259 million in new general revenue for the state of Missouri.<sup>3</sup>



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### *Methodology*

# **The Economic Value of Investment in Freight Transportation: Missouri Highways**

## **Missouri Highway Freight Industry**

<sup>1</sup> Meet MoDOT Brochure, Missouri Department of Transportation, 2008

<sup>2</sup> Quarterly Census of Employment and Wages (QCEW) 2007 annual, Bureau of Labor Statistics, 2008.

<sup>3</sup> Employment impacts were estimated using the Regional Economic Models Incorporated (REMI) Policy Insight Module, Version 9.

<sup>4</sup> Freight Analysis Framework V2.2, U.S. Department of Transportation, 2006.

<sup>5</sup> Highway mode export industry impacts were estimated using the Regional Economic Models Incorporated (REMI) Policy Insight Module, Version 9.

## **Missouri STIP Investments and the Trucking Industry**

<sup>1</sup> Missouri State Transportation Improvement Plan, 2009-2013, Missouri Department of Transportation, 2008.

<sup>2</sup> Cost savings derived from Federal Highway Association (FHWA) production cost factors scaled to current time period, industry mix, type of project, regional output and transportation costs.

<sup>3</sup> Trucking industry production cost saving impacts were estimated using the Regional Economic Models Incorporated (REMI) Policy Insight Module, Version 9.